

Q1 FY22 – FINANCIAL RESULTS

JB CHEMICALS AND PHARMACEUTICALS LIMITED



J.B. CHEMICALS &
PHARMACEUTICALS LTD.



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Company Overview



**Q1 FY22 Financial
Performance**



**Historical Financial
Performance**



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Company Overview

Corporate Snapshot



40+

Years of operations with consistent track record across multiple businesses

5

Brands among top 300 brands, contributing over 70% of domestic formulations revenues

21%

Growth in chronic therapies* in the domestic formulations business

#2,100+

India field force expanded, significantly over FY17-FY20 with therapy-focused segmentation

40+

Regulated/semi-regulated markets of presence through direct operations and distributors

Top 5

Global manufacturer of medicated/herbal lozenges representing a substantial opportunity

7

Multi-location plants producing formulations and API's with key global approvals/compliances

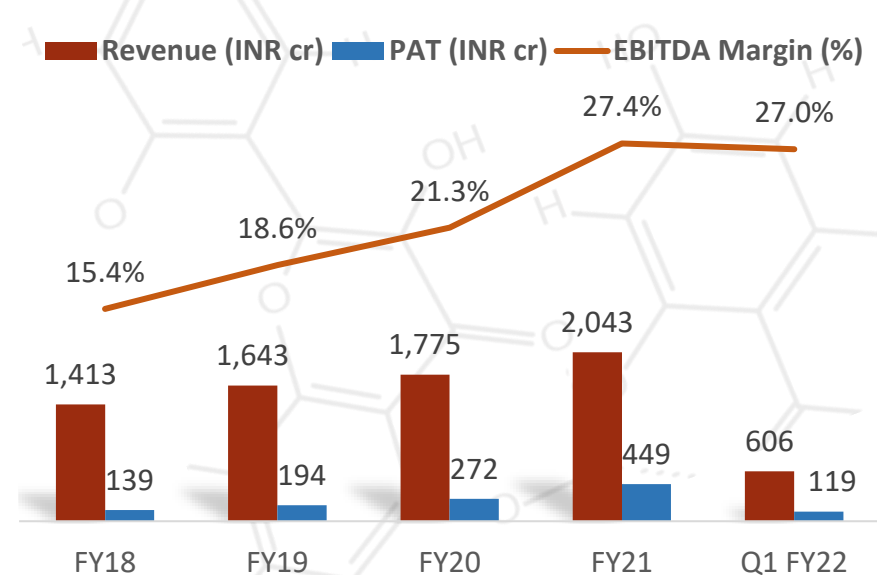
****42%**

ROCE with strong cash position and consistent cash flow generation

* CAGR over FY17-FY21

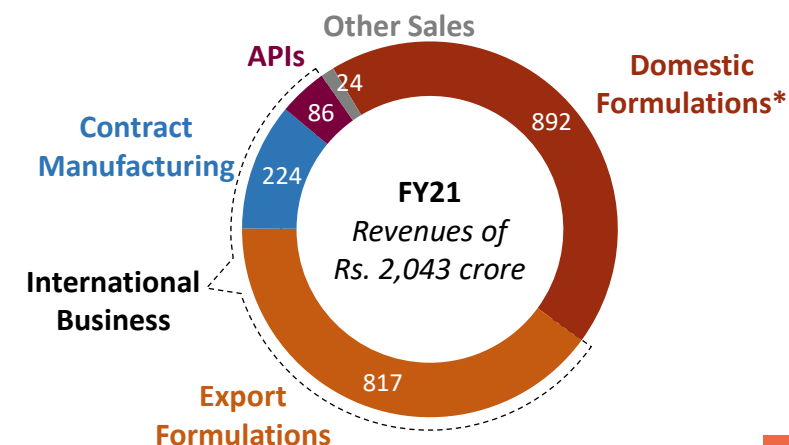
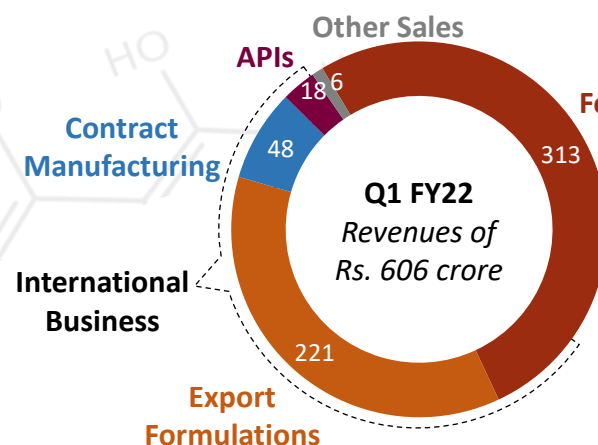
Includes MR and Supervisors

** ROCE for FY 21 $ROCE = EBIT / (Net\ Worth + Debt - Mutual\ Fund\ Investments)$



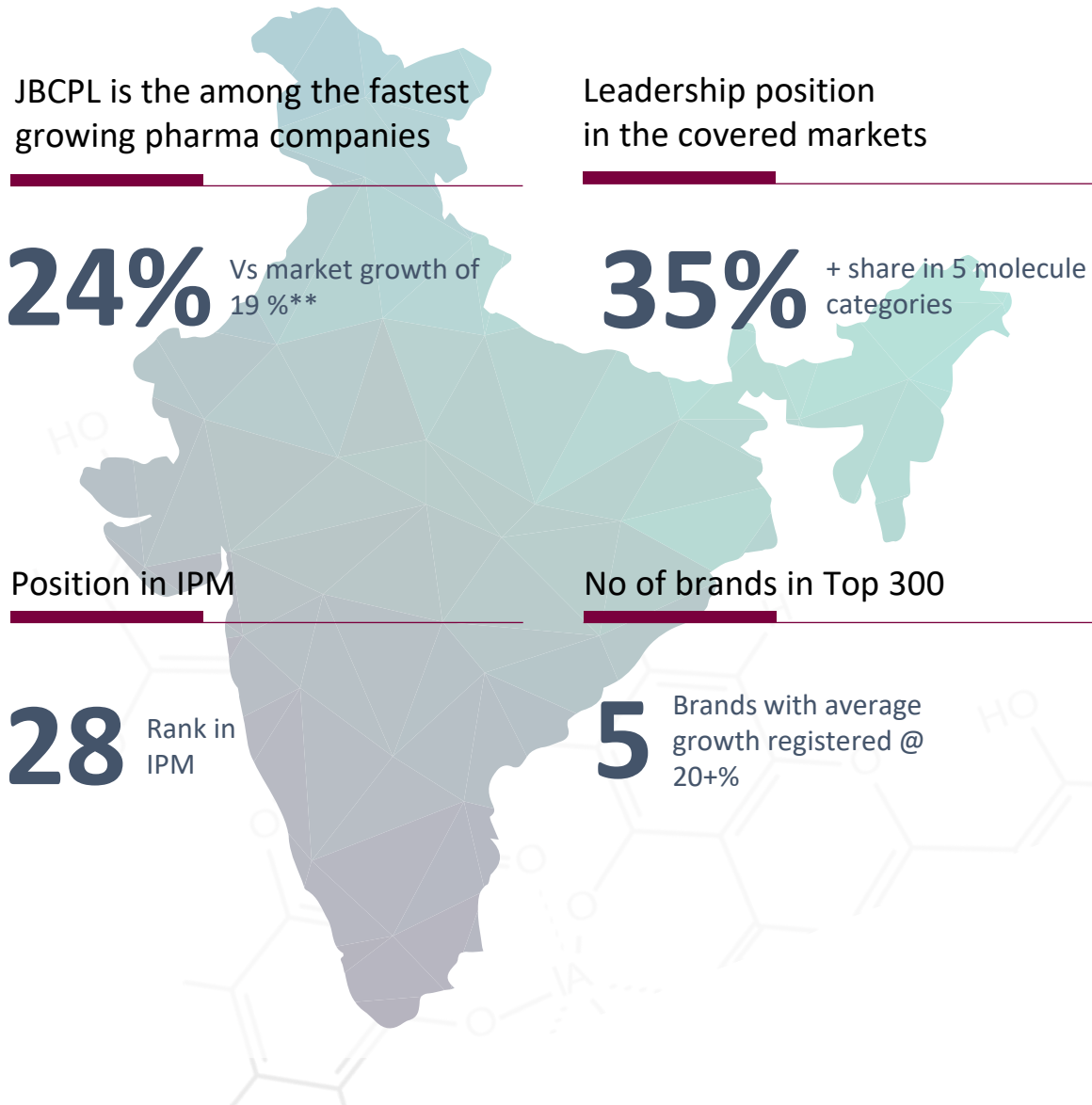
Financial Year ends on 31st March

Business-wise Revenue



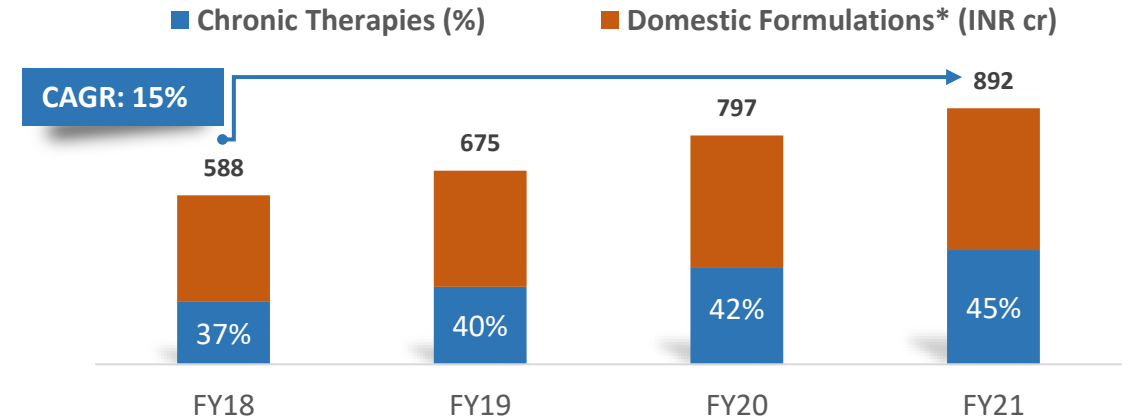
* Includes Contrast Media

Domestic Formulations: Outperformance Driven by Strong Brands



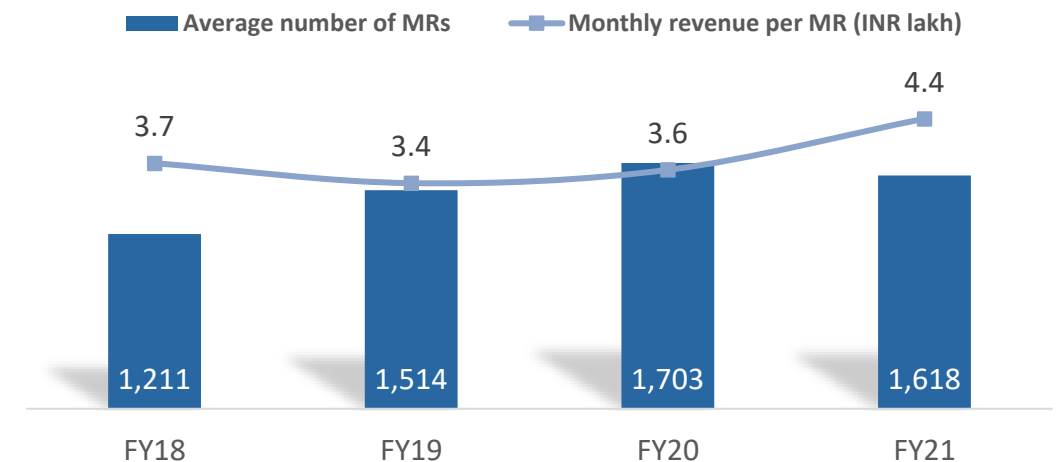
**MAT Growth June '21 – IQVIA published

Strong performance in chronic therapies



*Includes Contrast Media

Potential to further leverage investments made in distribution



International Business: Clearly Defined Businesses Across Geographies

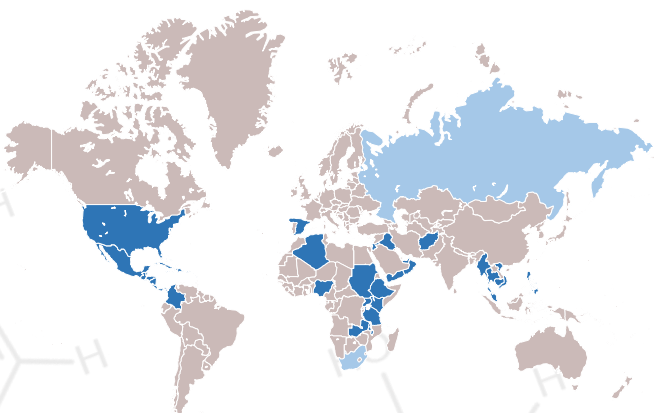


International Formulations

Direct presence in Russia and South Africa

Distributor relationships in the US, Asia, Africa and LatAm

Direct front-end presence Distributor-led model



CMO

Leading global position in \$ 4.6 bn lozenges market opportunity

Marquee global clients in pharma and consumer sectors

APIs

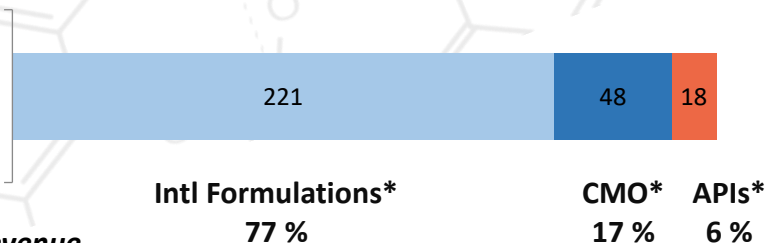
Leading capabilities with deep customer relationships

Substantial available capacities to drive growth

Manufacturing Capabilities

Tablets, Capsules, Sachets, Liquids, Topicals, Vials, Lozenges, IV Infusions, Bulk Drugs,

Q1 FY22
International
Business Revenues
Rs. 287 crore

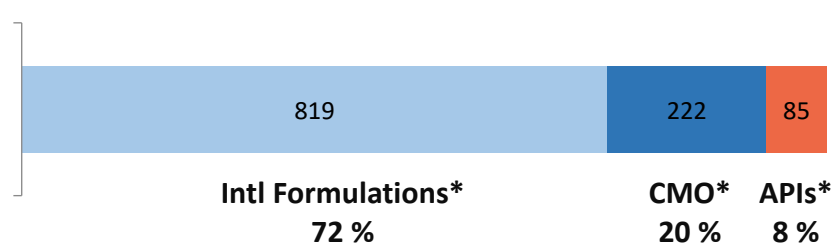


* As % to international revenue

Compliance Approvals

USFDA, UK, EU, Australia, Canada, Russia, Ukraine, South Africa, Brazil, MOH Japan, MOH Korea, Semi-regulated Markets

FY21
International
Business Revenues
Rs. 1,127 crore





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Q1 FY22 Financial Performance

Nikhil Chopra, CEO, JBCPL on the Q1 FY 22 business performance :

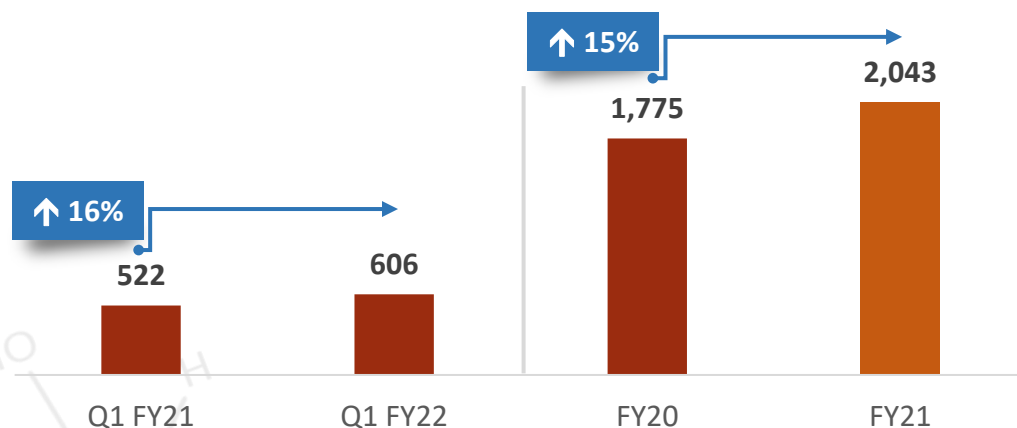


“The organization continues its strong performance well in the first quarter of the financial year. On the domestic front, we are one of the fastest growing companies in the industry. Our new Go-To-Market(GTM) model has been implemented and early signs are encouraging, which is reflected in the strong performance of flagship brands and new launches. While demand trends in international business continue to be volatile (given the COVID situation); our key markets like US, South Africa have outperformed and even Russia/ CIS are seeing gradual signs of revival. We expect the performance to improve in select pockets of our international business. Going forward, our priority continues to build on cost efficiency measures while maintaining the same growth momentum”

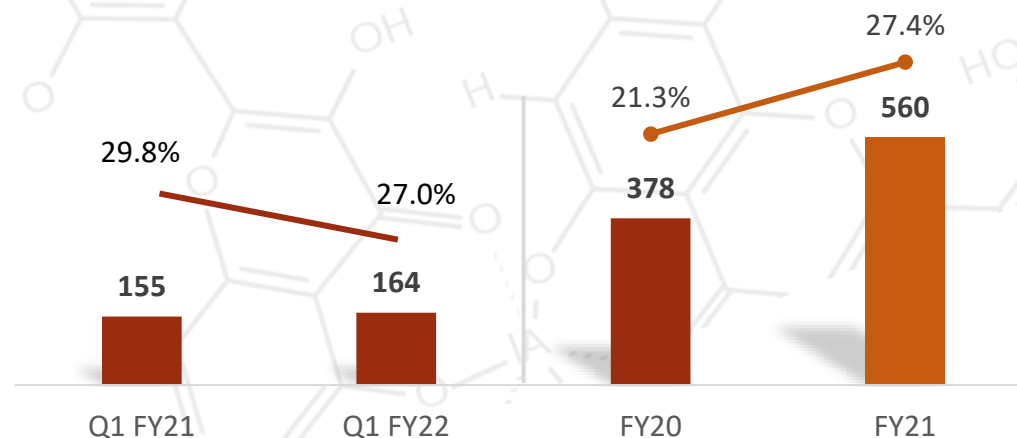
Financial Overview Q1 FY 22



Revenues (INR cr)



EBITDA (INR cr) Margin (%)



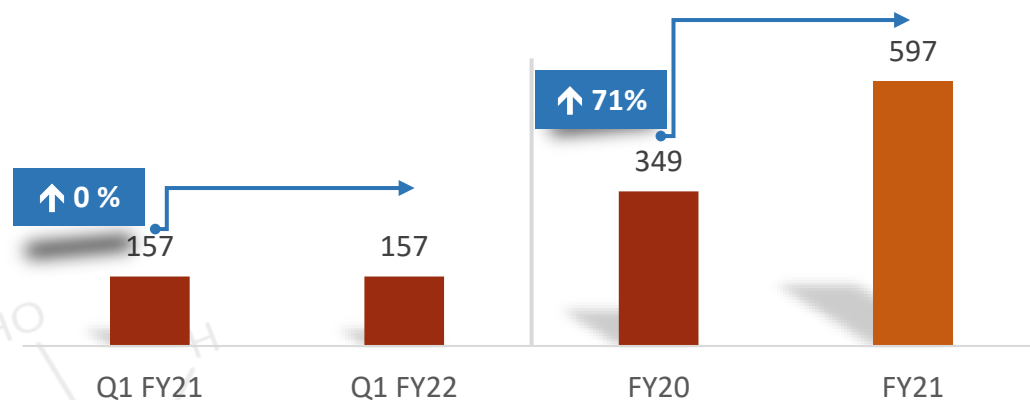
- The organization continues to perform well with revenue momentum continuing to remain strong
- Highest ever quarterly revenue recorded during the first quarter of FY22, despite lockdowns in key markets and supply chain challenges
- Domestic Formulations business records 39 % growth while the International business revenue was largely flat as compared to Q1 FY21
- As per MAT June 2021 IQVIA data, Domestic Formulations maintains secular outperformance compared to industry growth rate, driven by strength in chronic segments and expanding prescriber coverage
- Uncertainty in view of the second wave of COVID-19 impacted growth in certain geographies in the international market during the quarter

- Gross Margin profile continues to remain healthy at 64 % aided by good product mix
- EBITDA margin remains strong despite cost base returning to normalized level during Q1 FY 22
 - EBITDA margin has significantly improved Quarter on Quarter. (23.4 % in Q4 FY 21 as compared to 27.0 % in Q1 FY 22)
 - EBITDA margin decline YOY is primarily on account of sub-optimal cost base in Q1 FY 21 due to the COVID-19 lockdown

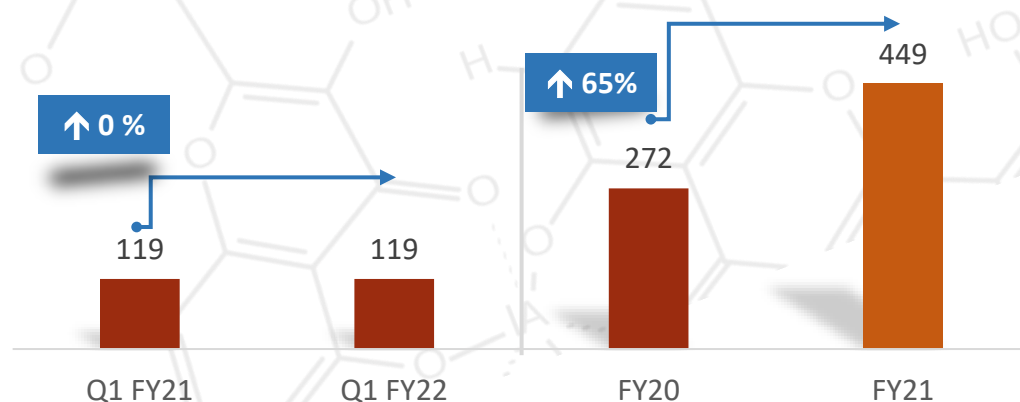
Financial Overview Q1 FY 22



Profit Before Tax (INR cr)



Profit After Tax (INR cr)

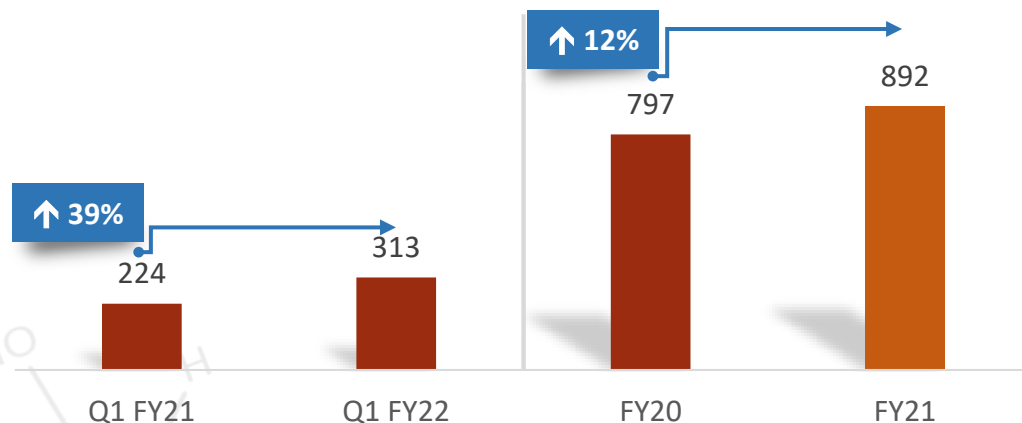


- Profitability continues to remain strong despite normalized cost base
- Other income in Q1 FY 22 is significantly lower by Rs. 9.7 cr on account of normalization of bond yields during Q1 FY 22 vis-à-vis Q1 FY 21
- Lower Other income in Q1 FY 22 has resulted in PBT and PAT remaining flat for the quarter
- Effective Tax Rate to remain at the current level of ~25 %

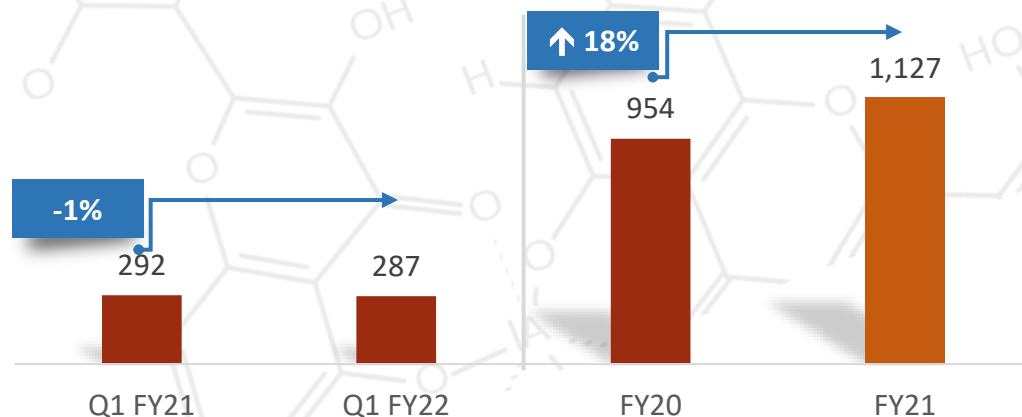
Revenue Analysis



Domestic Formulations* (INR cr)



International Business** (INR cr)



- As per MAT June 21 IQVIA data, Domestic Formulations business continues to outpace industry growth rate
- As per IQVIA, JBCPL recorded growth of 22.1 % in Q1 FY 22 as compared to Q1 FY 21
- Big brands continue to support growth momentum with market beating growth in covered market
 - As per IQVIA Mat June 2021 data, JBCPL big brands recorded good growth - Rantac (37.3 %), Cilacar (15.8 %), Cilacar-T (26.5 %), Metrogyl (49.6 %) and Nicardia (15.4 %)
- The new Go-To-Market model has been implemented and is functioning well providing a solid base for the organisation
- Launched a new dedicated division RENOVA to cater to the needs of Chronic Kidney Disease patients in the country
- Also launched the NOVA division, which will focus on pediatric and respiratory segment in India

- USA and South Africa business continues to show strong momentum with growth in excess of 20 % respectively for the first quarter
- Uncertainty surrounding second wave of COVID-19 & shipment challenges impacted revenue growth for select pockets in the International business & CMO business
- Despite muted cough and cold season Russia CIS has seen gradual growth revival in the quarter

Q1 FY22 – Financial Performance



Particulars (Rs. Crore)	Q1 FY22	Q1 FY21	YoY Growth	FY21	FY20	YoY Growth
Revenue from Operations	606.0	522.3	16%	2,042.5	1,774.7	15%
Cost of Goods Sold	216.5	186.3	16%	701.5	630.8	11%
Employee Benefit Expenses	98.1	88.7	11%	340.6	322.9	5%
Other Expenses	127.6	91.9	39%	440.0	443.4	-1%
EBITDA	163.7	155.4	5%	560.4	377.6	48%
EBITDA Margin	27.0%	29.8%		27.4%	21.3%	
Depreciation	17.9	17.3	3%	68.7	66.3	4%
Finance Costs	0.9	3.7	-75%	7.2	3.0	139%
Other Income	13.0	22.7	-43%	112.4	50.7	122%
Profit Before Exceptional Items and Tax	157.9	157.1	1%	596.9	358.9	66%
Exceptional Items	-	-		-	10.0	
Profit Before Tax	157.9	157.1	1%	596.9	348.9	71%
Tax Expenses	38.8	37.6	3%	148.4	76.5	94%
Net Profit After Tax	119.1	119.5	0%	448.5	272.4	65%
Non controlling interest	0.2	0.1		0.6	0.3	
PAT attributable to owners	118.9	119.4	0%	448.0	272.0	65%
Paid-up Equity Share Capital	1,545.6	1,545.6		1,545.6	1,545.6	
Diluted EPS (Rs.)	15.4	15.5	0%	58.0	34.2	69%



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Historical Financial Performance

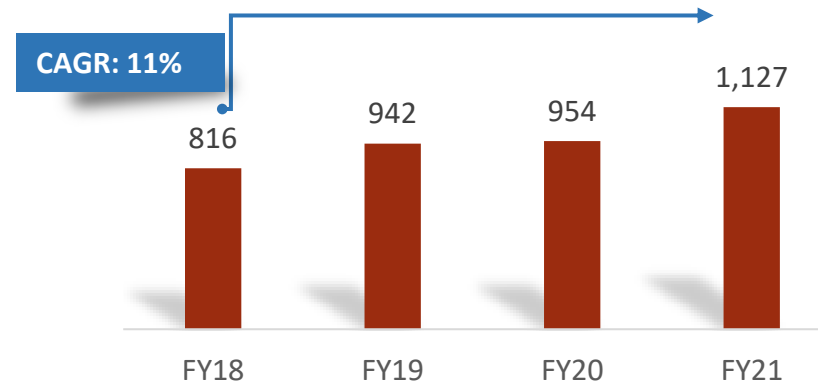
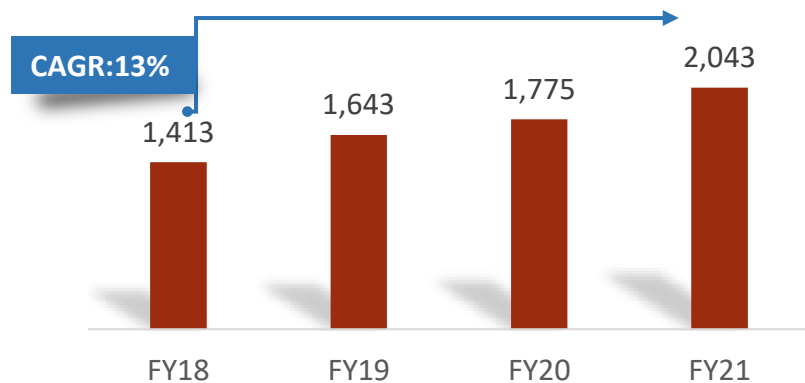
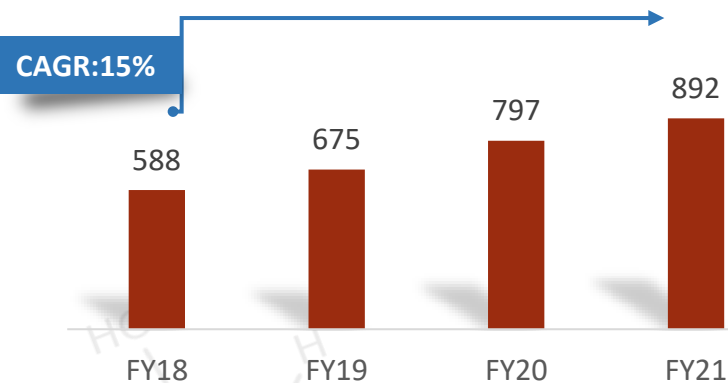
Strong revenue growth



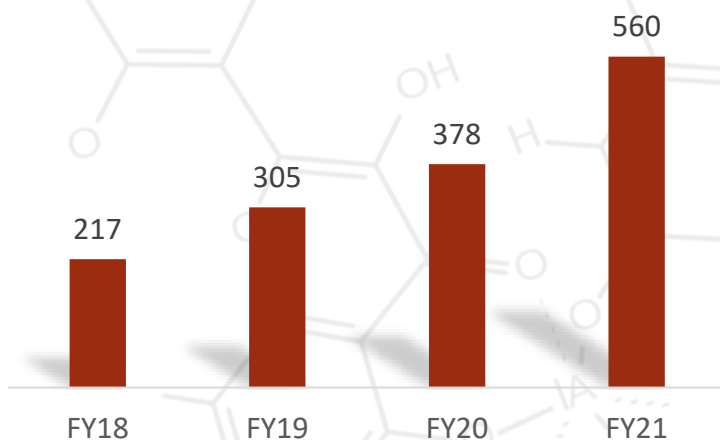
Domestic Formulations* (INR cr)

Revenues (INR cr)

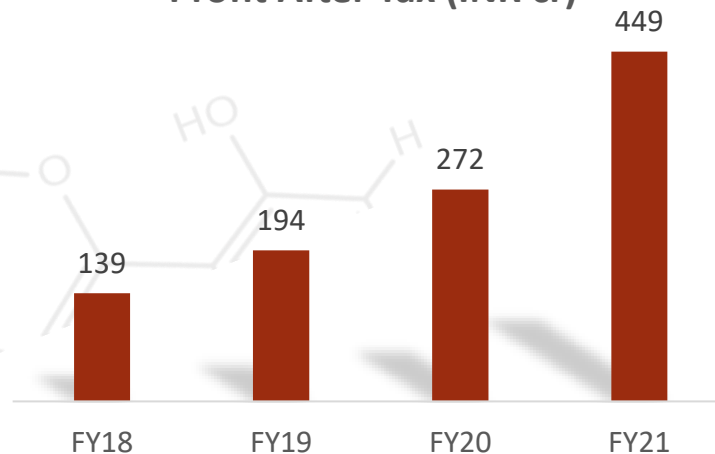
International Business** (INR cr)



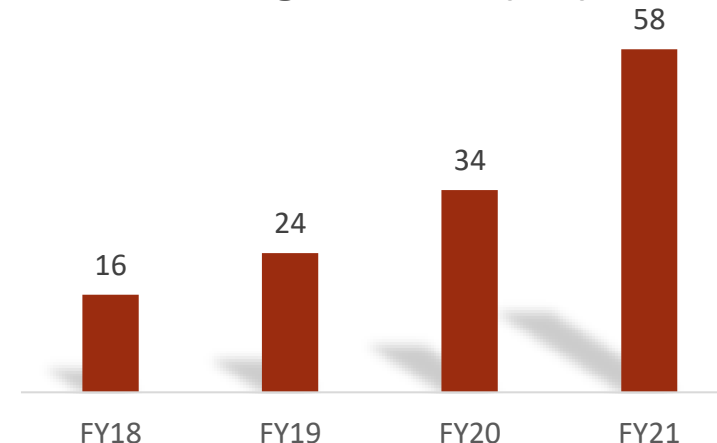
EBITDA (INR cr)



Profit After Tax (INR cr)



Earnings Per Share (INR)



*includes Contrast Media

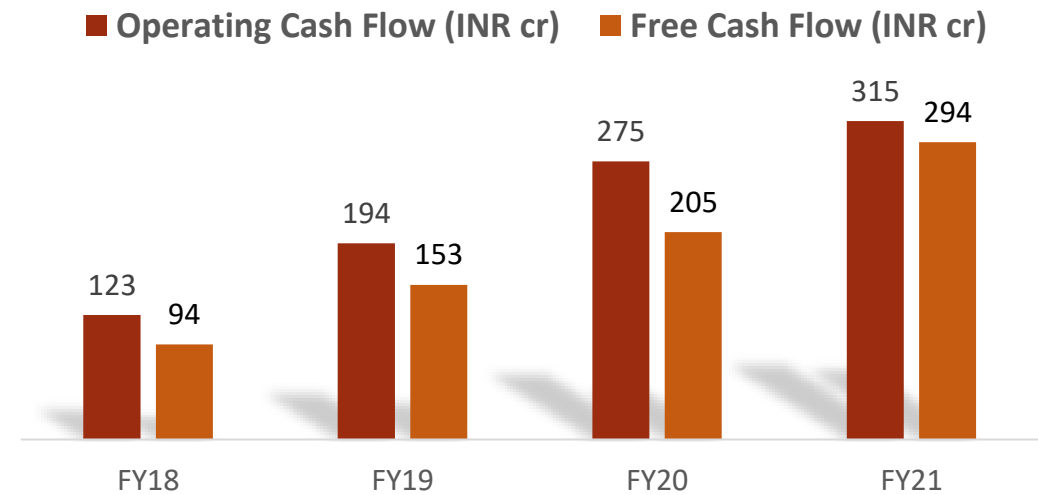
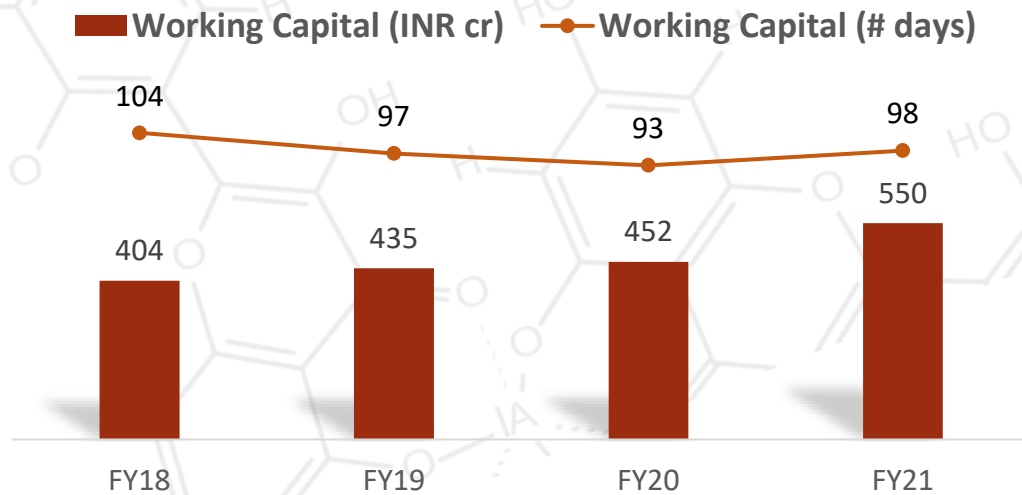
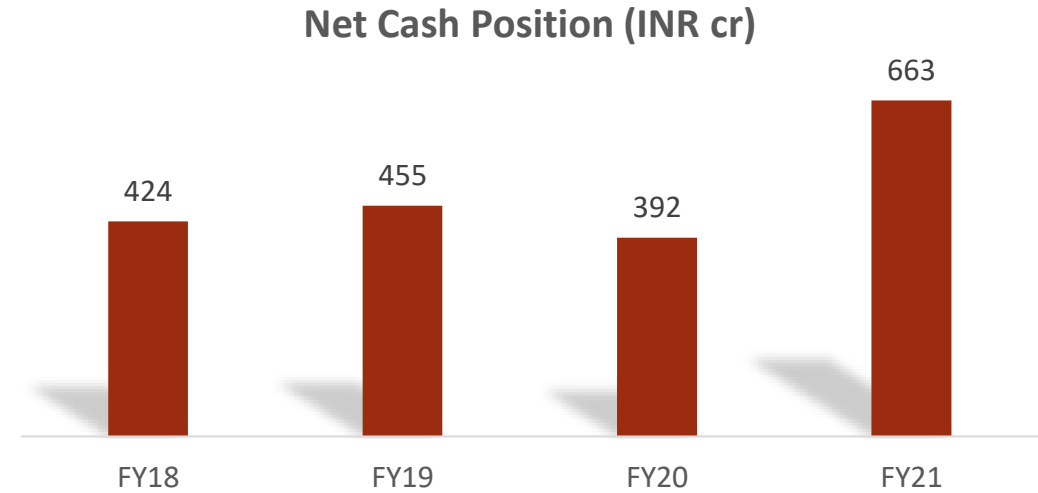
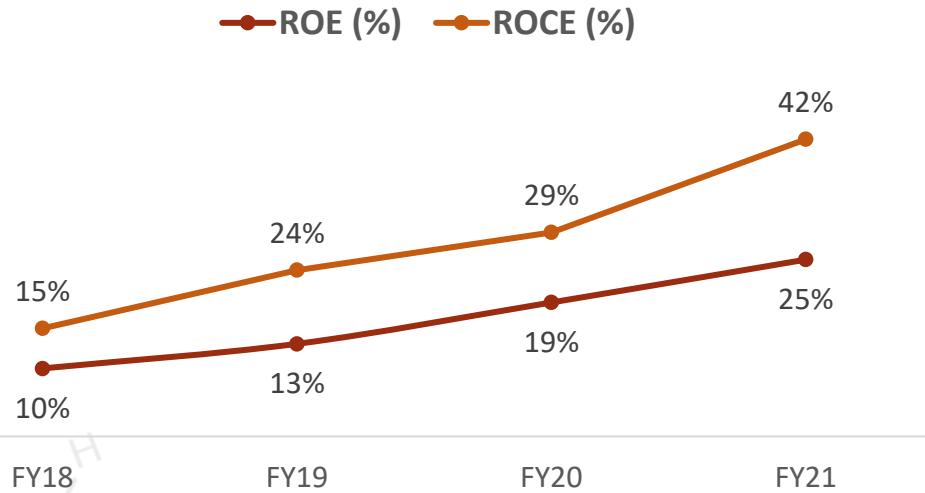
**consists of Export Formulations, Contract Manufacturing and APIs

Financial Performance Analysis



Particulars	FY18	FY19	FY20	FY21
Gross Margin	61.9%	63.7%	64.5%	65.7%
Employee Cost/Revenues	17.8%	17.5%	18.2%	16.7%
Operating Expenses/Revenues	28.8%	27.5%	25.0%	21.5%
EBITDA Margin	15.4%	18.6%	21.3%	27.4%
EBIT Margin	11.3%	15.2%	17.5%	24.1%
Net Margin	10.0%	11.8%	15.3%	22.0%

Substantial improvements in shareholder returns and consistent cash generation



About J.B. Chemicals & Pharmaceuticals Limited



J.B. Chemicals and Pharmaceuticals Limited (JBCPL) (BSE: 506943 | NSE: JBCHEPHARM | ISIN: INE572A01028), established in 1976, is one of the fastest growing pharmaceutical companies in India and a leading player in the hypertension segment. Besides its strong India presence, which accounts for majority of its revenue, its other two home markets are Russia and South Africa. In India, the company has five brands among the top 300 brands in the country. The company exports its finished formulations to over 30 countries including the USA. Besides supplying branded generic formulations to several countries, it is also a leader in the manufacturing of medicated lozenges. The company ranks among the top 5 manufacturers globally in medicated and herbal lozenges. It has seven state of the art manufacturing facilities in India including a dedicated manufacturing facility for medicated lozenges. The manufacturing facilities are certified by leading regulators across the world.

For more details on J.B. Chemicals and Pharmaceuticals Limited, please visit www.jbcpl.com.

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Thank You